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KPAO, MY
SUBJECT: FOLLOW UP TO THE CAIRO SPEECH: CONSULTATIVE PROCESS FOR
MUSLIM ENGAGEMENT

REF: STATE 71325

Introduction -----

1. Malaysia is almost unique in the world today. It is not of the Middle East but it seeks to be a leader in the Organization of the Islamic Conference (OIC). It is not the largest nation in Southeast Asia by any stretch, but it is a recent past chair of the OIC, it is a leader in Islamic Finance, and it hopes to become a center for distribution in Asia of halal products. It has a reputation for a "moderate voice" in the Islamic world, but it is one of those countries that is at the forefront of offering markets and engagement to the Iranians.

2. We have for the past several years been engaged in an effort to elicit actions and commentary from the Malaysian government commensurate with its reputation for a so-called moderate voice. In many respects, Malaysia lives up to that reputation. It is a productive and effective ally in the effort to control and then eradicate violent extremism. Since September 11, it has engaged closely with us, with our Western allies, with Indonesia, the Philippines, and other ASEAN partners to very effectively corral radical groups in Southeast Asia including Jemaah Islamiyah and Abu Sayaf.

3. At the same time, Malaysia prizes its independence, won through the struggle for independence and earned through sometimes vituperative relations with the West under former Prime Minister Mahathir's twenty-two years of hyper-nationalist rule. We seek now to make the most of Malaysia's hard-earned reputation for independence in foreign affairs and its continuing willingness to tack against the wind. In particular, as the most recent Non-Aligned Movement (NAM) summit made clear, we hope that Malaysia will be able to use its credibility with middle-income and under-developed nations to help add to support for mainstream values and standards in the international community.

A Nascent Opportunity -----

4. The happy coincidence of alignment of our political calendars makes Malaysia an especially fertile ground for follow-up to the President's Cairo speech. Kuala Lumpur held itself aloof from the United States during the previous administrations on both sides as the spiritually deep and operationally deficient former Prime Minister (PM) Abdullah Badawi stepped back from his first entente with President Bush, with whom he connected on a religious level. After the advent of the Iraq war and in ensuing years the Malaysians increasingly sought to distance themselves from the Bush administration. As a result, for half of a decade or more the Malaysians have had only limited engagement with us and citizens have been fed a steady diet of propaganda that oversimplifies the problems in the Middle East and demonizes both the United States and Israel.

5. The situation today is radically different. Not only has the

U.S. taken on a starkly new persona, exemplified by the Cairo speech, but in addition Malaysia has been through political transformation as well. New PM Najib is a more pragmatic, more operationally minded, and more open-minded leader who has issued explicit orders to his cabinet to move Malaysia closer to the United States. As a result, even the most hidebound of institutions, including, sadly, the Ministry of Foreign Affairs, is marching to a different drummer today. No longer is it politically safe to simply take a position in direct opposition to the "hyper-power." For example, we anticipate that Malaysia's record of opposition to the positions we take in the UN is likely to improve gradually from the dismal state in recent years. In the 2007 UNGA, Malaysia opposed the U.S. 73 times, voted with the U.S. 5 times, and had 4 abstentions. Malaysia was in the bottom 9 percent of countries in this regard. In 2008, Malaysia had an improved overall record, voting with the U.S. 13 times, against the U.S. 71 times with 3 abstentions, but on "important votes" Malaysia opposed the U.S. 12 times and voted with the U.S. once.

¶6. Accordingly, we believe Malaysia is ripe for investment. This post has a record for creative public diplomacy programs, such as "Field Trip USA," a ten-episode reality/travel television series featuring Malaysian high school students living in the U.S. on a six-month exchange program. Post produced the extremely popular television series in partnership with a youth-oriented television station, courtesy of Department television cooperative program funding. What follows is a blueprint for our plans in the coming year to implement the President's vision and to continue the steady expansion of U.S. influence that we have seen already in the first 100 or so days of the Najib administration. We will do all we can to stretch our dollars, and in many cases we are achieving objectives with current budget resources. That said, we anticipate asking for more given the disproportionate effects we can realize in

this public affairs market given the well established Muslim middle class in Malaysia that is genuinely grappling with the problem of bringing Islam into the 21st century, the rapidly developing liberalization of Malaysia's already market-oriented economy, and the opportunity that Malaysia presents to help lead the OIC and the NAM toward more mutually beneficial engagement with the United States.

A Roadmap:

Human development

¶7. Television cooperative programs in Malaysia have proven to be extremely effective in conveying positive messages about American culture and society to an often-skeptical public. In 2007, a television series about Muslims in America funded by a Department cooperative agreement aired during Ramadan and reached a whopping one-third of the Malaysian Muslim market. In 2008, another successful television cooperative, "Field Trip USA," debuted. The series featured eight students on a Youth Exchange and Study (YES) Program in the U.S. and received much critical and popular acclaim.

¶8. While television is critical to reaching large audiences, the Mission also needs the enduring value of exchange programs for both youth and professionals in helping to create allies for America in Malaysia. Hundreds of Malaysian youth, under the auspices of the YES and UGRAD (undergraduate university exchange) Programs, have studied in the U.S.; after their return, these students enthusiastically participate in Mission-supported alumni programs. Sending more Malaysians on these programs will help us develop the next generation of partners for the U.S. in Malaysia.

¶9. Many in Malaysia are concerned that poor English standards may affect the country's international competitiveness. The Mission's outreach program for secondary school-age Malay youth uses "English enrichment" as an apolitical way to speak to students and their teachers about U.S. society and values. Held at private Islamic schools, some public schools and at Post's "Lincoln (or American) Corners" established by the Embassy in partnership with seven public libraries around Malaysia, these activities seek to counter extremism and radicalization among young Muslim Malaysians.

¶10. On a May trip to the conservative Malay heartland in Terengganu and Kelantan states, the Ambassador met with children at a local school where Fulbright Program English Teaching Assistants (ETAs) were teaching. The ETAs are young American university graduates who co-teach English classes with Malaysian mentor teachers. The State of Terengganu, which co-funds this program, hosted 23 ETAs this year. A new English Access Micro-scholarship Program in Islamic Party-governed Kelantan State also allows Post to create longer-term relationships with Malay Muslim youth in an area where the Mission has traditionally found it difficult to gain access. Enhanced dialogue with potential government or NGO partners and more funds for expanding programs such as English Access Micro-scholarships and Fulbright ETAs are ways in which the Mission can reach many more young Malaysians with positive messages about the U.S. in conservative regions of Malaysia.

¶11. Ambassador Keith spoke recently at a historic gathering of over 200 dynamic Muslim women activists from around the world who gathered in Kuala Lumpur for the Cordoba Initiative's Women's Islamic Initiative in Spirituality and Equality (WISE) conference. The goal of the conference was to build a network of Muslim women to challenge distorted interpretations of Islam and increase the social-economic self-determination of Muslim women worldwide. The organizers had invited Ambassador-at-Large for Global Women's Issues Melanne Verbeke to speak at the WISE conference. While the Ambassador's schedule precluded her attendance this time, we hope to put the organizers in touch with Ambassador Verbeke and would like to invite her to Malaysia speak to audiences in support of innovative grassroots initiatives supporting Muslim women.

¶12. In 2008, the Director of the U.S. Centers for Disease Control and Prevention (CDC) and the Malaysian Minister of Health met to discuss the secondment of a CDC specialist to Malaysia's newly-established Disease Control Division. The Malaysian Government sent a letter of invitation to the CDC to this effect, and is awaiting a reply. This arrangement could lead the way to deepened ties between Malaysian and U.S. public health professionals in global issues such as pandemic preparation and prevention, management of H1N1 outbreaks, and the search for cures for bird flu, malaria and dengue fever.

¶13. Promoting rule of law, and in particular, a stronger and more independent Malaysian judiciary, is a key Mission goal. Strong executive influence over the judiciary limits its effectiveness as a fair arbiter, and inhibits public confidence in the judicial system.

Representatives from the Malaysian Bar Council and civil society have expressed serious concern about limitations on judicial independence, citing a number of high-profile instances of arbitrary verdicts, selective prosecution, and preferential treatment of some litigants and lawyers.

¶14. American judicial representatives have had success discussing rule of law issues in Malaysia. Judge David M. Ebel, a Senior Judge of the United States Court of Appeals for the Tenth Circuit, recently visited Kuala Lumpur under the auspices of the U.S. Speaker Program to discuss rule of law issues with Government of Malaysia interlocutors, among others. Judge Ebel's conversations focused on judicial ethics and judicial independence in the American context and created opportunities to discuss the benefits of judicial independence for business, citizens and the government. In 2008, Judge James Baker, Associate Judge of the United States Court of Appeals for the Armed Forces, also visited Malaysia to speak with legal audiences. Both visits contributed to the Mission's efforts to generate awareness of rule of law issues among government, media and civil society audiences; Post hopes to continue beneficial programs like these in the future.

¶15. Malaysia is a middle-income country, but income and wealth is very unevenly distributed. Moreover, the race-based preference policies followed by the government over the past 30 years exacerbated rather than ameliorated these differences. These policies also have been a major impediment to economic growth and development as well as to the completion of our bilateral FTA negotiations. Fortunately, Prime Minister Najib Tun Razak has begun a step-by-step process to dismantle these failed policies. He has expressed his intent to align Malaysian policy more closely with

international best practices and in this regard he recently proposed to negotiate a double taxation treaty with the U.S. We should take up this challenge as a step toward facilitating Malaysia's integration into the international system.

Entrepreneurship and Interfaith Partnership

¶16. The Embassy is strengthening its close working relationship with Imam Feisal Abdul Rauf, chairman of the Cordoba Initiative, who promotes interfaith dialogues in Malaysia and elsewhere which attract leading Islamic figures from throughout the world.

Science and Technology

¶17. Technology transfer in areas like marine conservation, where our ongoing support for use of turtle excluder devices for the Malaysian fishing fleet, is showing real progress. Capacity building programs like our ongoing training for Malaysia's nuclear regulatory agencies are paving the way for peaceful uses of nuclear energy.

¶18. For several years, Malaysia and the U.S. have been negotiating a bilateral Science and Technology Agreement - a framework agreement that will facilitate the growing scientific and technological cooperation across the board between U.S. and Malaysian scientists and researchers. The agreement, which may be completed in 2009, does not name specific areas of scientific cooperation, but contacts at the Malaysian Ministry of Science, Technology, and Innovation have indicated strong interest in partnering with the United States in the critical areas of biotechnology and alternative energy technologies. The National Science Foundation has supported efforts to define the potential scope of new cooperation with Malaysia and additional work by a Science Envoy would be beneficial.

¶19. Post has already highlighted a number of "Centers of Excellence" in academic and scientific research in Malaysia, including several Islamic-identified educational institutions - any of which could become platforms for expanded cooperation in science and technology.

Both the Ambassador and the Minister of Science and Technology were impressed by the recent proposal for a Center for Entrepreneurship and Innovation being designed by The Stevens Institute of Technology and University of Malaysia, and it could easily be replicated with other Malaysian research institutions. The Ambassador's meeting this week with the Vice Chancellor of the Universiti Teknologi Malaysia (UTM) revealed potential for collaboration and partnership between UTM and American universities for academic engagement and global outreach programs of mutual interest.

¶20. In his meeting with the Ambassador in May, the senior statesman and spiritual leader of the Islamic party PAS, Nik Aziz, expressed an interest in obtaining possible Embassy assistance for science labs in Islamic religious secondary schools in the Muslim heartland of Kelantan. This is the first time such a figure, who has been extremely critical of U.S. policies in the past, has reached out to us in this manner. The Stevens Institute of Technology might be a provider for an initiative of this type.

KEITH